



Comptroller of the Currency
Administrator of National Banks

PART 24 QUICK REFERENCE GUIDE
National Bank Part 24 Community Development Investments
12 USC 24 (Eleventh) and 12 CFR 24

Primarily Promote the Public Welfare	Investment Activity	Nonbank Community Support for Investment
Low- and moderate-individuals (\leq 80% area median income)	(1) Affordable housing, community services, or permanent jobs for low- and moderate -income individuals;	(1) In the case of an investment in a CD entity with a board of directors, representation on the board of directors by non-bank community representatives with expertise relevant to the proposed investment;
Low- and moderate-areas (\leq 80% area median income)	(2) Equity or debt financing for small businesses;	(2) Establishment of an advisory board for the bank's community development activities that includes nonbank community representatives with expertise relevant to the proposed investment;
Other areas targeted for redevelopment by local, state, tribal or federal government (including federal enterprise communities and federal empowerment zones)	(3) Area revitalization or stabilization; or	(3) Formulation of a formal business relationship with a community-based organization in connection with the proposed investment;
	(4) Other activities, services, or facilities that primarily promote the public welfare.	(4) Contractual agreements with community partners to provide services in connection with a proposed investment;
		(5) Joint ventures with local small businesses in the proposed investment; and
		(6) Financing for the proposed investment from the public sector or community development organizations or the receipt of federal low-income housing tax credits by the project in which the investment is made (directly or through a fund that invests in such projects).
Investment Limits		
Self-certification is permitted for an eligible bank with total Part 24 investments of less than 5% of its capital and surplus. Prior OCC approval is required for a bank with aggregate Part 24 investments in excess of 5%, and up to 10%, of its capital and surplus. A bank's aggregate Part 24 investments and aggregate commitments may not exceed 10% of its capital and surplus.		
An investment must not expose a bank to unlimited liability.		

For more information, please contact the Community Development Division at (202) 874-4930

Application of the Part 24 Investment Authority

Examples of Part 24 Investments	Typical CD Structures	Examples of How Banks Invest in CD Structures
<p>CD investments must meet the requirements for primarily promoting the public welfare and investment limits. The majority of the aggregate activities undertaken by the CDC or CD project, in which the bank invests, must primarily benefit LMI persons, LMI areas, or other areas targeted for redevelopment by government. Investments meeting these standards can include those that:</p> <p>Affordable housing, community services, or permanent jobs for LMI individuals</p> <ul style="list-style-type: none"> • Finance, acquire, develop, rehabilitate, manage, sell, or rent affordable housing • Develop and operate an assisted living facility for the elderly • Develop and operate a special needs project, such as transition housing for the homeless • Provide credit counseling, job training, and community development research • Qualify for federal low-income housing tax credits • Qualify for Historic Rehabilitation Tax Credits • Develop and operate a medical or mental health facility • Develop and operate a community service facility • Produce or retain permanent jobs <p>Equity or debt financing for small businesses</p> <ul style="list-style-type: none"> • Provide equity and loan financing for small businesses and micro-enterprises • Provide technical assistance services for small businesses and micro-enterprises • Qualify for New Markets Tax Credits <p>Area revitalization or stabilization</p> <ul style="list-style-type: none"> • Develop and operate a commercial or industrial property • Develop and operate a business incubator • Form a CD focus bank or CDFI • Form and operate an agricultural cooperative <p>Other activities, services, or facilities that primarily promote the public welfare</p>	<ul style="list-style-type: none"> • Bank CDC subsidiary • Multibank or multi-investor CDC • Limited partnership • Limited liability company (LLC) • Private or nonbank CDC • Community development financial institution (CDFI) • CD loan fund or lending consortia • CD real estate investment trust (REIT) • CD focus bank • CD equity capital funds • Business development companies • National and regional equity funds 	<ul style="list-style-type: none"> • Equity investments for the purchase of stock or membership shares • Equity investments for limited partner or member interests • Equity-equivalent or debt investments, such as loans or lines of credit¹

¹ Lending activities that are expressly authorized under provisions of banking law other than 12 USC 24 (Eleventh) may be undertaken without regard to the provisions of 12 CFR 24.